

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

Docket No. 2000-290

May 16, 2000

BANGOR HYDRO-ELECTRIC COMPANY  
Request for Approval of Reorganization  
And Of Affiliated Interest Transactions In  
Connection With The Provisioning of Certain  
Maintenance, Construction and Engineering Services

NOTICE OF PROCEEDING AND  
PROCEDURAL ORDER

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On March 27, 2000, Bangor Hydro-Electric Company (BHE) filed a Petition for Reorganization and Exemptions Pursuant to 35-A M.R.S.A § 708 and for Affiliated Interest Transaction Approvals and Exemptions Pursuant to 35-A M.R.S.A. § 707 with Respect to the Formation of a Separate Subsidiary. In its petition, BHE asks that the Commission authorize BHE to form a separate subsidiary in which to provide its ongoing maintenance, construction and engineering (MC&E) services. Alternatively, BHE requests that the Commission determine that the services at issue are core services, and are therefore not subject to the requirements of Chapter 820.

The services at issue, according to BHE's filing, include maintenance, construction and engineering services relating to private line work, substation and similar work. BHE anticipates that such work most often occurs within its service territory. For illustrative purposes BHE states that it "intends to bid on a current project being undertaken by Great Northern Paper, Inc. ("GNP") to upgrade and construct privately owned transmission lines and related substation facilities located in the East Millinocket/Millinocket region." BHE notes however that except for the provision of back-up electricity provided by BHE to the GNP paper mills, BHE does not expect that it would be using the transmission lines for its own purposes.

BHE asks the Commission to make a threshold determination of whether the activities at issue constitute "non-core" activity within the meaning of Chapter 820. If the activities are determined to be "non-core," BHE asks that the Commission grant a waiver of the requirement that the activities be provided through a separate subsidiary.

**The deadline for filing petitions to intervene in this matter is May 23, 2000.** Copies of petitions to intervene must be provided to James L. Costello, Attorney for Bangor Hydro-Electric Company, Curtis Thaxter Stevens Broder & Micoeau LLC, One Canal Plaza, P.O. Box 7320, Portland, ME 04112-7320. Petitions should state Petitioner's interest in the proceeding and the manner in which Petitioner seeks to participate in the case. **An initial conference and technical conference is scheduled for May 25, 2000 at 2:00 p.m. in the Commission's Hearing Room.** At the conference, BHE should be prepared to provide additional information about the services at issue. Participants in the conference should also be prepared to discuss a process for addressing the issues raised by BHE's petition. Preliminarily, the Examiner concurs with BHE's proposal to initially address in this case the question of whether the

activities at issue are “non-core” within the meaning of Chapter 820 of the Commission’s rules. Proposed intervenors should be prepared to state their position on this suggested course of action.

This notice is being provided to Central Maine Power Company, Maine Public Service Company, a list of contractors provided by BHE and the Public Advocate.

Dated at Augusta, Maine, this 16th day of May, 2000.

BY ORDER OF THE HEARING EXAMINER

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Lisa C. Fink